

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 382 - HB 678**

March 2, 2023

**SUMMARY OF BILL:** Deletes the provision repealing the Virtual Public Schools Act (VPSA).

**FISCAL IMPACT:**

**Other Fiscal Impact – Deleting the expiration of the Virtual Public Schools Act, will prevent various shifts in state and local education funding between and within certain local education agencies and possible decreases in state and local government expenditures due to closure of virtual schools. Due to multiple unknown variables a precise impact cannot be determined but the net impact is considered not significant.**

Assumptions:

- The VPSA authorizes a local education agency (LEA) to establish virtual schools, which are defined as a public school in which the school uses technology in order to deliver a significant portion of instruction to its students via the internet in a virtual or remote setting.
- Tennessee Code Annotated § 49-16-216 repeals the VPSA on June 30, 2023. The proposed legislation deletes the expiratory language and permanently extends the VPSA to allow the continued operation of virtual schools.
- Upon expiration of the VPSA, there may be a decrease in state and local government expenditures if any of such expenditures of the virtual schools are not replicated when students return to traditional schools or if some of the students at the virtual schools revert to home school. A shift in Tennessee Investment in Student Achievement (TISA) funding may also occur.
- The Department of Education's Division of Choice provides guidance to local education agencies that operate virtual schools.
- Deleting the expiration of the VPSA will prevent various shifts in state and local education funding between and within certain LEAs and possible decreases in state and local government expenditures due to closure of virtual schools.
- Due to multiple unknown variables such as where students currently enrolled in these schools would choose to attend in the absence of this legislation, the precise impact cannot be reasonably determined; however, there will be no significant change in funding requirements compared to FY22-23.

- No change in state and local TISA funding. All TISA funding will be received by the same entities that receive such funding under current law.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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